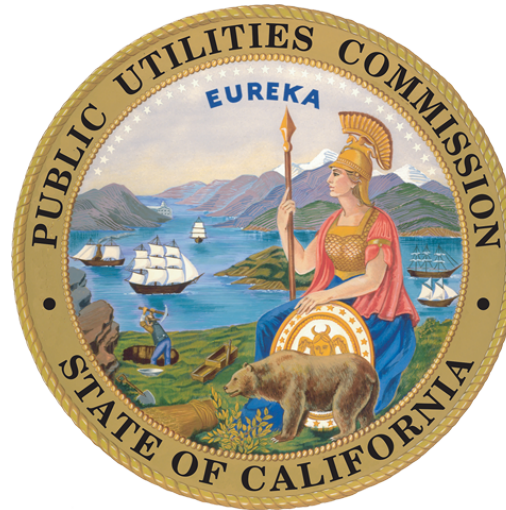




# 12-IEP-1C: Electricity Infrastructure Planning & Procurement for Local Reliability



**Nathaniel Skinner**  
*Senior Analyst, Generation & Transmission Planning*  
**California Public Utilities Commission**

June 22, 2012



# Introduction

- LTPPs focus on many issues other than OTC, but OTC is the focus of this presentation
- Two different elements related to OTC infrastructure and procurement
  - 2010 LTPP, changed OTC procurement rules
  - 2012 LTPP, future analyses and potential need authorizations



## 2010 LTPP

- D.12-04-046 changed procurement rules for PG&E, SCE, SDG&E when contracting with OTC generation:
  - May not contract beyond then-current SWRCB compliance deadline
  - Any contract ending within 1 year of SWRCB compliance deadline must demonstrate how OTC compliance is facilitated
  - Contracts more than 2 and less than 5 years must be filed via Tier 3 advice letter



## 2010 LTPP (cont)

- RFOs and solicitations must take OTC into consideration for evaluation
- Allows contracts past compliance date
  - If the facility becomes compliant by the date
  - Ratepayers are protected against stranded costs
  - Ratepayers are protected against future unspecified cost increases
- Requires Commission approval, such as a need determination in the LTPP
  - Must be consistent with other procurement rules



# 2012 LTPP



# May 2012 Scoping Memo

- Meeting local capacity needs between 2014 and 2021
- Whether or not flexibility needs should be incorporated into any authorization of need
- Application of any decision from the RA proceeding
- Whether CA ISO local capacity requirements and OTC studies should be adopted by the CPUC
- Meeting local capacity needs between 2014 and 2021



## Scoping Memo (cont)

- Whether or not flexibility needs should be incorporated into any authorization of need
- Application of any decision from the RA proceeding
- Whether CA ISO local capacity requirements and OTC studies should be adopted by the CPUC
- How resources, such as DSM (EE, DR, storage, DG) can be considered in meeting needs
- Cost allocation



# Background

- R.12-03-014 has in scope local capacity needs for the LA Basin and Big Creek / Ventura
- San Diego needs are being examined in light of A.11-05-023
  - Authority to enter into power purchase tolling agreements with Escondido, Pio Pico, and Quail Brush Power
- Other local areas, including the Bay Area were not included in the May 2012 Scoping Memo





# Enabling Compliance

- Several different vehicles to pay for OTC compliance, if any replacement resources are needed
  - Including options such as transition to air cooling or facility repowering
    - RFOs leading to a contract
    - Cost of service contracts
    - No contract (generator becomes compliant on their own based on economics)
  - Ensure lowest cost to consumers while upholding State objectives and rules



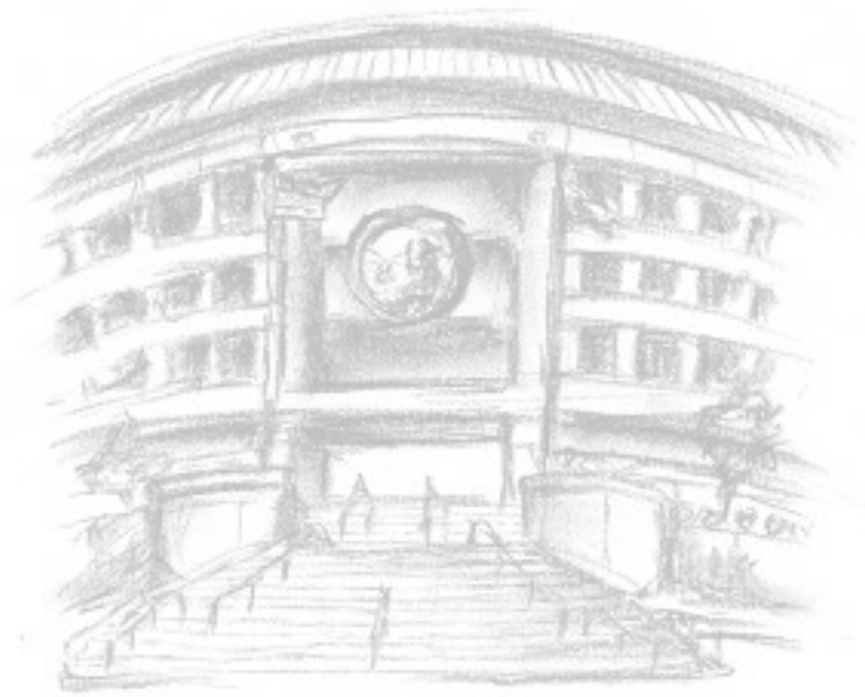
## Timing – Track 1 (LCR)

- 5/23 CA ISO served testimony
- 6/25 Other parties serve testimony
- 7/9 Second PHC
- 7/23 Reply testimony (all parties)
- 8/7 Evidentiary Hearings (start)
- 8/17 Evidentiary Hearings (end)
- Nov/Dec Proposed Decision Issued
- 2013 Procurement action



**Thank you!**  
**For Additional Information:**

**[www.cpuc.ca.gov](http://www.cpuc.ca.gov)**  
**[www.GoSolarCalifornia.ca.gov](http://www.GoSolarCalifornia.ca.gov)**  
**[www.CalPhoneInfo.com](http://www.CalPhoneInfo.com)**





# Backup Slides





# Acronyms

- CPUC – California Public Utilities Commission
- CA ISO – California Independent System Operator
- SWRCB – State Water Resources Control Board
- PG&E – Pacific Gas & Electric
- SCE – Southern California Edison
- SDG&E – San Diego Gas & Electric
  
- LTPP – Long Term Procurement Plan
- OTC – Once through cooled power plant
- PHC – Prehearing Conference
- RA – Resource Adequacy
- RFO – Request for Offers

